

EXHIBIT 7

UNITED STATES of AMERICA

VS

METHODIST LE BONHEUR HEALTHCARE, et al.

GARY SHORB

August 12, 2022



Terri Beckham, RPR, RMR, CRR

Chattanooga (423)266-2332 Jackson (731)425-1222
Knoxville (865)329-9919 Nashville (615)595-0073 Memphis (901)522-4477
www.elitereportingservices.com

1 BY MR. MARTIN:
 2 Q. Do you want to do the math?
 3 A. **We did a fair -- no, I trust your math. We**
4 did a fair --
 5 MR. ROARK: I don't know -- I don't know
 6 about that.
 7 **THE WITNESS:** Okay. Then maybe I don't
 8 trust your math.
 9 BY MR. MARTIN:
 10 Q. Well, let me make sure -- let me ask a
 11 different way.
 12 A. **Yeah.**
 13 Q. If you paid \$3-and-a-half million for a
 14 28 percent share in a company, does it sound right
 15 to you that that would mean the company was valued
 16 at \$12-and-a-half million?
 17 A. **Again, I'd have to do the math, but --**
 18 Q. Okay. But it doesn't sound wrong to you,
 19 right? I mean, can we just agree -- can we all
 20 agree --
 21 A. **Let's agree it's in the ballpark.**
 22 Q. All right. We'll agree it's in the ballpark.
 23 Fair enough. That's as good as we're going to get.
 24 All right. I'd like to know a little bit
 25 more, Mr. Shorb, just exactly what it was that

1 Q. What did you base the decision on to invest
 2 in, you know, 3-and-a-half million in loan and
 3 3-and-a-half million in equity into -- where do
 4 those numbers come from?
 5 A. **Fair market valuation of the company. And,**
6 again, you'd have to ask Chris specifics on how we
7 decided on 3-and-a-half million loan versus
8 3-and-a-half million equity.
 9 Q. Did you explain -- did you have to get board
 10 approval to make this \$7 million dollar investment?
 11 A. **We did.**
 12 Q. Okay.
 13 A. **It was part of the board presentation.**
 14 Q. Yeah. So, if you're -- and you're designated
 15 as a company representative to talk about getting
 16 that approval from the board, which would include,
 17 you know, how the company was valued, right?
 18 A. **Correct.**
 19 Q. Okay. So as you sit here, do you know -- if
 20 the company was valued at \$12-and-a-half million,
 21 based on your \$3-and-a-half million equity buy at
 22 28 percent, what do you know about where that
 23 \$12-and-a-half million number came from?
 24 A. **We had a fair market value opinion.**
 25 Q. Uh-huh.

1 ACORN/Vector was going to do.
 2 A. **We wanted to continue to do the clinical**
3 research that was ongoing, and I think at the time
4 of purchase there were, like, 20 different clinical
5 research initiatives. We wanted to continue to
6 expand that, and physicians were interested in
7 continuing to expand it.
 8 **And we wanted to get to phase 1 clinical**
9 trials. And eventually we did, thanks to the fact
10 that we had made that investment.
 11 Q. What's the difference -- when you say
 12 "clinical research," what's the difference -- when I
 13 hear that in this context I naturally assume it's
 14 drug trials.
 15 A. **It is.**
 16 Q. But it sounds like maybe it's something prior
 17 to -- there's something that happens before you get
 18 to do drug trials?
 19 A. **No, in this case it is drug trials, and it's**
20 just various levels of drug trials. Don't ask me to
21 explain it.
 22 Q. Okay.
 23 A. **I couldn't tell you with any confidence --**
 24 Q. All right.
 25 A. **-- but I could tell you generally on it.**

1 A. **I couldn't tell you who did it, but it was**
2 north of \$10 million.
 3 Q. Okay. And so what was the decision process
 4 on the exact, you know, decision that you would
 5 invest 3-and-a-half million for 28 percent? Like,
 6 where -- you know, if it's -- if it's north of
 7 10 million, let's say it's a range, how did you
 8 settle upon 12-and-a-half million?
 9 MR. ROARK: Objection. Object to the
 10 form.
 11 **THE WITNESS: That was Chris's decision.**
 12 **And, again, the board approved the 7 million and**
13 left it up to management as to how we would
14 specifically invest in the company.
 15 BY MR. MARTIN:
 16 Q. So the board approved -- well, what exac --
 17 okay, I don't understand that. What exactly did the
 18 board approve?
 19 A. **As part of the trans- -- the total**
20 transaction, the board approved a \$7 million
21 investment in ACORN/Vector.
 22 Q. But only -- 3-and-a-half of that was just a
 23 loan?
 24 A. **3-and-a-half was a loan.**
 25 Q. 3-and-a-half was equity buy?

1 of next week or the following week.
 2 MS. SWEET: I want a copy of the
 3 transcripts. I don't need it expedited.
 4 MR. ROARK: They'll both read and sign
 5 as well.

6 FURTHER DEPONENT SAITH NOT
 7 (Proceedings concluded at 4:18 p.m.)

1 E R R A T A
 2 I, GARY SHORB, having read the foregoing
 3 deposition, pages 1 through 254, taken August 12,
 4 2022, do hereby certify said testimony is a true
 and accurate transcript, with the following
 corrections, if any:

5 PAGE LINE SHOULD HAVE BEEN

6 _____
 7 _____
 8 _____
 9 _____
 10 _____
 11 _____
 12 _____
 13 _____
 14 _____
 15 _____
 16 _____
 17 _____
 18 _____
 19 _____
 20 _____
 21 _____ GARY SHORB
 22 _____
 23 _____
 24 _____ Notary Public My commission expires:
 25 _____

REPORTER'S CERTIFICATE

1 STATE OF TENNESSEE
 2 COUNTY OF Davidson

3 I, Terri Beckham, RMR, CRR, and licensed
 4 Court Reporter, with offices in Nashville,
 5 Tennessee, hereby certify that I reported the
 6 foregoing deposition of GARY SHORB by machine
 7 shorthand to the best of my skills and abilities,
 8 and thereafter the same was reduced to typewritten
 9 form by me. I am not related to any of the parties
 10 named herein, nor their counsel, and have no
 11 interest, financial or otherwise, in the outcome of
 12 the proceedings.

13 I further certify that in order for this
 14 document to be considered a true and correct COPY, THAT
 15 it must bear my original signature, and that any unauthorized reproduction in whole or in part,
 16 and/or transfer of this document is not authorized,
 17 will not be considered authentic, and will be in
 18 violation of Tennessee Code Annotated 39-14-104,
 19 Theft of Services.



20
 21
 22 Terri Beckham, RMR, CRR, LCR
 Elite-Brentwood Reporting Services
 23 Notary Public State of Tennessee
 24 My Notary Public Commission Expires 3/6/2026
 25 LCR 355 - Expires: 6/30/2024

